

REMARKS

Claims 1-40 and 74 are pending in the application.

Section 101 Rejection

In the last Official Action, the Examiner rejected previous claims 69 and 71 as directed to non-statutory subject matter. Applicant notes that claims 69 and 71 were cancelled in Applicant's Response to the previous Official Action, filed February 10, 2004.

Applicant disagrees with the Examiner's rejection of pending claims 1-20 as directed to non-statutory subject matter. 35 U.S.C. §101 provides that "whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof may obtain a patent therefore...." Each of pending claims 1-20 is directed to a process and therefore meets the requirements of Section 101.

For the reasons stated in Applicant's previous Response, the Examiner's position that the claims failed to satisfy §101 because they fail to claim a technological basis¹, is without merit. Rather than relying on court decisions or statutory support in support for the rejection, the Examiner now states that:

"...It is the office position that without a technical basis the utility requirement has not been met for a business method ..."

The Applicant challenges the Examiner to provide documentary evidence that it is indeed the official position of the office that business method claims require a technical basis. For example, is this official position published in the *Gazette* or included in the Manual of Patent Examining Procedure, or published in some other document available to the public? Over the last few years, the office has issued numerous patents on business methods where no "technical basis" was present. Has the "office position" referred to by the Examiner only recently been adopted, or is

¹ Applicant's note that the body of claim 1 has been amended to recite that "steps (a)-(c) are performed electronically by at least one computer during the electronic auction." Thus, even under the Examiner's interpretation of 35 USC §101, claims 1-20 meet the utility requirement.

it a policy that has been in place for time but not applied consistently to all business method claims before the office? To the extent that the Examiner maintains the rejection of the claims as directed to non-statutory subject matter, the Applicant respectfully requests responses from the Examiner to the above questions.

Obviousness Rejection

Applicants disagree with the Examiner's rejection of claims 1, 21 and 74 for obviousness over Ausubel (383) in view of Popolo. Claims 1, 21 and 74 are directed to "reverse" auctions where at least first and second bidders compete to supply a lot to a buyer. As amended, the claims require that at least three different parties participate in the auction, namely, the first bidder, the second bidder and the buyer. In addition, each of the claims require the transformation of bid information received from a **first bidder** (into a context different from that of the first bidder) and the subsequent transmission of this transformed bid information to a **second bidder** (that is different from the first bidder and the buyer.) The Examiner has acknowledged that this limitation is not taught by Ausubel. See October 21, 2003 Official Action at 4 ("Ausubel does not explicitly disclose: enabling a second bidder to view or display a bid originally defined in a context of said first bidder in said context of said second bidder.") The Examiner has reasoned that this limitation is taught by Popolo, at Col. 14, lines 50-54; col. 15, lines 1-60; and col 16, lines 1-24, which provide as follows:

BUYERS MENU

1. REVIEW ALL ITEMS FOR SALE
2. REVIEW ITEMS BID
3. RETURN TO MAIN MENU

By selecting Option #1 of the BUYERS MENU, the subroutine 212 is called which displays the entire inventory in a default sort sequence, as shown in the following panel:

[Panel omitted]

and permits the user to browse the entire inventory.

The Item number is color coded, to quickly convey certain important information. When an Item number is shown in WHITE, the SpecSheet of the item has not yet been reviewed. Item numbers shown in BLUE, conversely, are items that have

been reviewed. The blue color is used to make the item blend into the background so that it is deemphasized on the screen to reduce its visual attraction. Items POSTED by the user are shown in BRIGHT WHITE. Items the buyer has bid on are shown in BRIGHT RED. Items that have been sold remain listed in the inventory for a short period of time and are shown in GREEN. The item remains on the system to give the Buyer and Seller a chance to complete the sale and physically move the steel. This grace period allows the seller to "undo" the sale without needing to re-post the item if for some reason the buyer is unable to complete the purchase.

The user may highlight any item and view the complete SpecSheet for that item by pressing the ENTER key. By pressing the Action key at PANEL #3 the following menu of options is displayed.

BUYERS SUB-MENU #1

- A. VIEW ITEM XXXX DETAILS
- B. SEARCH INVENTORY
- C. PRINT
- D. BID ON THIS ITEM
- S. CHANGE SCREEN SORT SEQUENCE
- T. TAG ITEM FOR LATER PRINT
- Q. NO ACTION, RETURN TO BROWSE

Selection of Options A-Q of the BUYERS SUB-MENU #1, calls the appropriate subroutines indicated at 214-226. The user can search for items meeting a selected criteria, and set the screen sort order so that similar items are arranged near each other for easy comparison. The inventory browse shows the basic attributes for each item. For any item of potential interest, that item may be highlighted and by then pressing ENTER the SpecSheet for that item is displayed for review. A buyer can search the inventory to quickly narrow the focus to only those items that satisfy a particular criteria of commodity, dimension and seller. The parameters of this or other search criteria can be stored for future use. Sellers can also create search sets in order to compare asking prices with similar offerings of other sellers. For example, if a seller regularly posts large quantities of Hot Rolled of a particular size, a search set could be established which evaluates all items in this commodity and size to see the asking price range. This information may assist the seller in establishing a reasonable asking price.

After selecting Option A of the BUYERS SUBMENU #1, the SpecSheet is displayed and may be printed. If desired, a bid on the item may be entered. A bid on the item may also be entered by selecting Option D, producing the following panel:

[Panel omitted]

To bid on the item in line 1 of PANEL #7, the line is highlighted and the ENTER key is pressed to display the following panel:

[Panel Omitted]

This panel permits the Buyer to bid up to 10 units of the item based on an amount per unit weight or as a percentage of the asking price. In this example the asking price is \$0.2209 per pound. By cursoring to this field an amount may entered or by cursoring to the next field the entry of a percentage will automatically fill in the bid price. After a bid is entered for the specified number of units, PANEL #7 is updated with the total amount bid as shown in PANEL #9 below.

After careful review of this cited passage, it is clear that, while Popolo arguably teaches the transmission of bid information between buyer and seller, there is no teaching or suggestion of transmission of bid information between two different bidders, as required by each of the pending claims. More particularly, there is no teaching or suggestion in Popolo of providing a second bidder with a bid originally defined in a context of a first bidder in a context of the second bidder. Since the Examiner has acknowledged that this limitation is not present in Ausubel, and the limitation is also absent from Popolo, it is respectfully submitted that the pending claims are allowable over the art of record.

Response To Other Arguments Made By Examiner

The Examiner has also argued at page 6 of the last office action that:

“It would have been obvious to one with ordinary skill in the art to include enabling a bidder to view or display a bid originally defined in a context of a bidder in a context of the buyer ...”(Emphasis added).

Applicant disagrees with this assertion. However, even if this assertion was assumed to be true, it is not relevant because the present claims require a bidder to view in one context a bid that was originally submitted by a different bidder in a different context. Since the present claims require the bidders and the buyer to be different, the ability of a bidder to view a bid in a context of a buyer does not meet the limitations of the present claims.

The Examiner has also argued that “[i]t would have been obvious to one with ordinary skill in the art to enabling (sic) a second bidder to view or display a bid originally defined in a

context of said first bidder in said context of said second bidder as a relative comparison to Ausubel (383) because Popolo teaches that bidders may require changing bids.” In support of this assertion, the Examiner has cited to column 15, lines 24-27 of Popolo which state:

The item remains on the system to give the Buyer and Seller a chance to complete the sale and physically move the steel. This grace period allows the seller to "undo" the sale without needing to re-post the item if for some reason the buyer is unable to complete the purchase.

There is simply no teaching whatsoever in this portion of Popolo (or anywhere else in the reference that Applicant can find) that suggests enabling “a second bidder to view or display a bid originally defined in a context of said first bidder in said context of said second bidder as a relative comparison, “ as suggested by the Examiner. At most, this passage appears to suggest that a buyer’s bid may be withdrawn during a grace period – however, the passage clearly does not suggest that bid information be communicated between different bidders in different contexts, as required by the present claims.

Conclusion

In view of the above, it is believed that all pending independent claims represent patentable subject matter over the cited prior art, either alone or in combination. Moreover, Applicants respectfully submit that each dependent claim is allowable, because each such claim depends from an allowable base claim. Applicants respectfully request the Examiner’s consideration and examination of the application and timely allowance of the pending claims.

EXCEPT for issue fees payable under 37 C.F.R. § 1.18, the Commissioner is hereby authorized by this paper to charge any additional fees during the entire pendency of this application, including fees under 37 C.F.R. §§ 1.16 and 1.17 which may be required, including any required extension of time, fees, or credit any overpayment to Deposit Account 50-0310. This paragraph is intended to be a **CONSTRUCTIVE PETITION FOR EXTENSION OF TIME** in accordance with 37 C.F.R. § 1.136(a)(3).

Respectfully submitted,

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By: 

Daniel H. Golub
Reg. No. 33,701
Customer No. 028977
MORGAN, LEWIS & BOCKIUS LLP
1701 Market Street
Philadelphia, PA 19103-2921
Telephone: (215) 963-5055
Facsimile: (215) 963-5001